

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division

UNITED STATES OF AMERICA

v.

DAVID ALCORN and
AGHEE WILLIAMS SMITH II,

Defendants.

CRIMINAL ACTION NO.
2:19cr47

**** Jury Trial - Day 7 ****

EXCERPT TRANSCRIPT OF PROCEEDINGS
(Cross-Examination of L. D. Dunn)

Norfolk, Virginia

February 9, 2022

BEFORE: THE HONORABLE RAYMOND A. JACKSON
United States District Judge

APPEARANCES:

UNITED STATES ATTORNEY'S OFFICE

By: Andrew C. Bosse
Melissa E. O'Boyle
Elizabeth M. Yusi
Assistant United States Attorneys
Counsel for the United States

RICHARD S. YAROW LLC

By: Richard S. Yarow
Counsel for Defendant David Alcorn

FEDERAL PUBLIC DEFENDER'S OFFICE

By: Andrew W. Grindrod
Lindsay Jo McCaslin
Assistant Federal Public Defenders
Counsel for Defendant Aghee William Smith II

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I N D E X

GOVERNMENT'S
WITNESSES

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E X H I B I T S

(None offered.)

—L. D. Dunn - Cross (By Ms. McCaslin)—

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LOUIS DOUG DUNN, called by the Government, having
been first duly sworn, was examined and testified as follows:

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CROSS-EXAMINATION

BY MS. McCASLIN:

Q. Hi, Mr. Dunn. My name is Lindsay McCaslin. I represent
Bill Smith.

A. Hi, Counselor.

Q. Now, in the office -- I understand that the insurance
side was a little bit separate, but in the office, Daryl was
the top of the chain, right?

A. Define "the office."

Q. Under Dominion, Daryl was the top boss?

A. Daryl was Dominion.

Q. Right. Okay. Raeann was considered second?

A. Raeann was, as Daryl put it at every seminar, his
right-hand man, but woman.

Q. And she seemed to be with him at any meeting that he
needed to go to?

A. Every meeting.

Q. Every meeting?

A. Yeah, to my knowledge.

Q. He included her on everything, pretty much, that you're
aware of?

—L. D. Dunn - Cross (By Ms. McCaslin)—

1 A. Everything I'm aware of, she was included in.

2 Q. Kind of inseparable?

3 A. Attached at the hip.

4 Q. Now, Raeann handled -- you know Raeann handled money
5 between various bank accounts, right?

6 A. Correct.

7 Q. You didn't have access to moving money between accounts,
8 right?

9 A. No, ma'am.

10 Q. And you're aware that Daryl had the FINRA ban?

11 A. I became aware of that, yes.

12 Q. Is it fair to say that he made it sound like he was the
13 good guy, downplayed it?

14 A. Oh, that's one way of putting it.

15 Q. Did he consider himself a whistleblower?

16 A. Oh, yes, he was a hero.

17 Q. And while you worked there, did you participate in the
18 weekly Monday calls that Daryl held?

19 A. Sometimes, yes, ma'am.

20 Q. And you never heard anything on those calls about an SEC
21 investigation, did you?

22 A. In all honesty, Counselor, I can't say "yes" or "no"
23 because he would reference "a investigation." I don't recall
24 Daryl specifically saying "SEC investigation." He referenced
25 something, I want to say, Arizona. There was the things that

—L. D. Dunn - Cross (By Ms. McCaslin)—

1 we knew because paperwork was coming into the office that we
2 were then sending to Florida. So I cannot say, with
3 100 percent certainty, "yes" or "no."

4 Q. Because the mail coming in was being delivered to the
5 Dominion office, right?

6 A. To the Virginia Beach office on Commuter Drive, yes,
7 ma'am, because Daryl, when he moved the companies out of
8 Virginia, he never changed the LLC address. All of the LLCs
9 were still registered as Virginia LLCs located at Commuter
10 Drive.

11 Q. Right.

12 A. Even though Dominion Private Client Group, Daryl Bank,
13 all those operations, nothing happened at Virginia Beach at
14 that point forward.

15 Q. So we saw that you met Bill at the Country Music Awards.

16 A. Yes, ma'am.

17 Q. Is that the only time you met him in person?

18 A. No. I want to say there was one other time, and I'm
19 trying to remember where it was.

20 Q. But you didn't see him often --

21 A. Oh, no.

22 Q. -- because you two were on opposite sides of the coast.

23 A. No. He was on the left coast; I was on the right coast.

24 Q. Now, when you left Dominion, it sounds like you packed up
25 your office really quickly.

—L. D. Dunn - Cross (By Ms. McCaslin)—

1 A. Yes, ma'am.

2 Q. You didn't exactly tell the salesmen, like, "I'm putting
3 in a two-week notice," right?

4 A. There wasn't a two-week notice.

5 Q. So one day you were just gone?

6 A. One day Dominion Insurance Brokerage was gone.

7 Q. And right after you left, you're aware that Daryl and
8 Raeann were smearing your name?

9 A. I have no direct knowledge. They never said anything to
10 me. I'm sure they were. I'm aware of the police reports
11 that were filed.

12 Q. Right. So you're aware that you were accused of
13 stealing?

14 A. Correct.

15 Q. You are aware that Daryl accused you of stealing over
16 \$60,000 from the company?

17 A. No, I didn't know that.

18 Q. Daryl did file a public lawsuit against you in Florida,
19 right?

20 A. Yes, somewhere in Florida. I haven't seen it, but I was
21 told about it.

22 Q. But that got dismissed, right?

23 A. I have no idea. And if you have knowledge, I would
24 appreciate it. I would like to know.

25 Q. Well, are you aware that you were accused of stealing

—L. D. Dunn - Cross (By Ms. McCaslin)—

1 \$20,000 from Raeann's credit card?

2 A. No.

3 Q. Okay. But you're aware that there was a lawsuit?

4 A. Yes.

5 Q. And Bill only did that one insurance deal with Regent?

6 A. With Regent?

7 Q. Yes. It was just for a very brief time, right?

8 A. Oh, very brief time. I don't remember that Bill
9 submitted a case with Regent.

10 Q. And you were there for a very short time because you
11 weren't really bringing in business there, either, right?

12 A. My role was never to bring in business. I did not bring
13 business into either company. My role was agent support.

14 Q. Okay.

15 A. And I left Regent because, quite frankly, when I first
16 came to help Mike Binetti at Dominion Insurance Brokerage,
17 the prior year the practice had done approximately
18 1.2 million in annuities; nothing impressive. The first
19 year, that year, we did 12.8 million. Bill was certainly a
20 part of that 12.8 million in production.

21 So we were excited with the growth of Dominion
22 Insurance and what the future looked like. Gradient was a
23 huge part of that. So when they pulled their back office
24 support out, that, in essence, killed Dominion Insurance
25 Brokerage.

____L. D. Dunn - Cross (By Ms. McCaslin)_____

1 Q. Right.

2 A. With Regent, in all honesty, I just lost the desire.

3 Q. Now, the insurance was mostly annuities, you mentioned?

4 A. Yes, ma'am. Well, fixed-index annuities and then
5 permanent and term life insurance. There were no variable
6 items sold, no security products of any type sold through
7 Dominion Insurance Brokerage.

8 MS. McCASLIN: Okay. No further questions.

9 * * * * *

10

11 CERTIFICATION

12

13 I certify that the foregoing is a correct excerpt
14 transcript from the record of proceedings in the
15 above-entitled matter.

16

17

18 _____/s/_____

19 Carol L. Naughton

20 February 15, 2022

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